RUMANIA

241 The following table indicates the proportions of lands devoted to the various cultures and the distribution among the different provinces, according to official statistics for the year 1930:

Arable land in:	Area in hectares.	Percentage of total.
Old Kingdom	6,815,886	23.08
Bessarabia	2,915,941	9.88
Bucovina	311,618	1.06
Transylvania	3,113,566	10.55
Total of arable lands ...	13,857,111	43.58
Meadows and pastures ...	4,884,475	13.78
Orchards and Vineyards ...	613,614	2.08
Forests	7,134,200	24.18
Unproductive lands, roads, sites of buildings, rivers, mines, etc.	4,837,389	16.41
Total Area	29,486,789	100.00

From the above it will be seen that there is little scope for bringing more land under cultivation, and that an expansion in the output must be sought by improving the method of cultivation. Of course there is a vast expanse of marshes along the Danube which may be reclaimed—the total area of these is computed at two million hectares—and if they were turned to account they would considerably augment the arable area. It may be added that similar works of reclamation have been undertaken in Bulgaria and Greece and have been reported to be remunerative.

241 Besides cereals, industrial plants such as hemp, colza, • 249 sun-flower, tobacco, sugar-beet are grown, some 399,506 hectares being sown with them. The sugar-beet industry is sufficiently developed to provide for the total requirements of the country and to allow even for an export surplus. There are 14 sugar refineries, with invested capital of 3,300 million lei and occupying some 15,000 workmen. It was reported in the *Argus* of February 20th, 1932, which took up the defence of the industry and emphasized the necessity of granting it adequate protection (since it prevented some 700 million lei from being annually remitted abroad), that the State [651] obtained a revenue of 13.70 lei per kg., or 42 per cent of the official price at which sugar was sold; that agriculturalists obtained 20 per cent, merchants 5 per cent, manufacturing and packing accounted for the remaining 33 per cent. But when expenses were deducted the net profit available to the

refineries did not exceed 1.65 lei per kg. The total consumption of sugar, averaging 100,000,000 kgs. per annum, would thus yield a net profit of 165 million lei, which represented a return of 5 per cent on the invested capital. The cultivation of beet-sugar was reported to be considerably more profitable to the peasant than wheat, for while one hectare sown with wheat yielded 1,200 kgs., which would fetch 2,700 lei, one hectare sown with sugar-beet produced 20,000 kgs., which was bought by the refineries for 16,000 lei.

Though the actual production of cereals surpasses that of the pre-war period, the quantity exported shows a considerable diminution. Transylvania and Bucovina do not produce enough grain for their needs, and cover their requirements by imports. The relative values of the various cereals, as well as the quantities available for export from the 1929 harvest and those consumed locally or used for seed, are given below:

Crop	Total interior consumption in quintals.	Quantities available for export in quintals.	Total production in quintals.	Total value in million lei.
Wheat ...	25,600,000	2,400,000	28,000,000	19,600
Rye ...	2,100,000	1,300,000	3,400,000	2,049
Oats ...	6,000,000	5,600,000	13,600,000	5,168
Barley ...	7,600,000	22,800,000	30,400,000	13,788
Maize ...	34,000,000	26,000,000	60,000,000	30,400
Total ...	77,300,000	58,900,000	136,200,000	69,975

Of the available quantity for export only about half was shipped, viz., 28,000,000 quintals, while from the harvest of 1930 the quantity exported was 29,500,000 quintals.

The harvests of the last three years were abundant, and their respective yields in quantity differed but little. Owing, however, to the catastrophic fall in prices, the sums at which they were marketed varied considerably.

	Total production of all cereals.	Total estimated value in lei.
1929	136,200,000 quintals	69,975,000,000
1930	121,100,000 "	28,906,000,000
1931	124,800,000 "	24,311,000,000

241 The basis of Rumanian economy is agriculture, in that some 80 per cent. of the population derive their livelihood from the land and agriculture provides a high proportion of the national income. During recent years, however, the expansion of the oil industry has meant that agricultural produce has played a decreasing part in the country's exports, having been superseded by oil, exports of which amounted to 43 per cent. of the total export trade in 1938, compared with 19 per cent. in 1927; while grain exports in 1938 represented 23 per cent. compared with 46 per cent. in 1927.

[315] [439]

In spite of the importance of agriculture to national prosperity farming methods are backward and per acre crop yields are among the lowest in Europe. Attention is particularly given to growing cereals, and of these maize is the chief, providing a large surplus for export (apart from the war years). Livestock density is low, which is one of the weaknesses of Rumanian agriculture, the Banat being the only district in which numbers are fairly high, and farming approaches the intensive system. It must be stressed that the relatively large export surplus, which consists of wheat, maize, barley, oilseeds and pulses, livestock, oilcake, etc., is only made possible by the very low nutritional level which prevails, and that if this were raised to anything like western European standards exports would be commensurately reduced.

[281] [439] [44]

248 ●249 Since the war more attention has been paid to the growth of industrial crops such as sunflower, soya, cotton, hemp and flax, and the cultivation of rubber-bearing plants has been started following the finding of the *Kok Saghyz* plant left by the Russians in Bessarabia. Though some success has been achieved in increasing the areas under textile fibres, and yields have been slightly higher, the hoped for increase in soya and sunflower cultivation have not been achieved due to unfavourable weather conditions and to general wartime dislocation.

313 Rumania's forest reserves, though extensive, have suffered severely from a consistent policy of over-exploitation, and, while providing the basis of a fairly important industry during the period between the two wars, have been so depleted that cutting will have to be very restricted for a number of years if they are to be allowed to recover. The loss of Northern Transylvania has affected the timber industry in particular, as a high proportion of the forest resources were located there, and in that district this industry was better developed than elsewhere in the country.

IMPORTANCE OF OIL

315 Oil plays a major part, not only in Rumania's foreign trade, but also in covering her domestic fuel requirements, to a large extent replacing coal, reserves of which are small and of low quality. Since the war and the resulting pressure which Germany has exerted to obtain increased quantities of oil for her armies, (combined with the consistent drop in the rate of production between 1936 and 1941), serious attempts have been made to find alternative sources of fuel. The enormous reserves of natural gas existing in Transylvania, which were exploited only very slightly before the war, are being used increasingly as a source of fuel to supply local industries, and a

241 however, be slightly deficient in grain, especially
133 in poor years.

[311] The hilly land of Transylvania and the Banovina differs markedly from the plain. There is proportionately less arable and much more meadow, grazing and forest land. The soil is poor. Methods are not as primitive as in the plain land of the Old Kingdom, but over-crowding is more serious and output per head is consequently lower. Parts of this region are slightly deficient in grain. Though [446] the level of food consumption is low, the dietary is more varied than elsewhere in the country, less maize and more meat and dairy produce being eaten.

3. Crops

311 Of the total area of pre-war Romania, of nearly 30 million hectares (114,000 sq. miles) and twice the area of England and Wales, about 13 million hectares, or 43 per cent. was arable. Permanent meadow, pasture and grazing occupied 24 per cent., while tree and bush crops accounted for 2 further 2 per cent. The remaining land was non-agricultural, forest and waste land.

243 A very high proportion of the arable—over 80 per cent.—was used for grain growing, principally maize, wheat and barley. Owing to low rainfall, use of poor seed and lack of fertilisers, yields were at a low level and fluctuated widely from year to year.

[439] Out of an average grain production of 11 million tons, 6 millions went into domestic human consumption and 1½ million were exported, the remainder going to fodder seed and waste. Grain exports have always figured largely in the country's foreign trade. During the twenty years 1920 to 1939 they only once fell below a million tons, and in some years exceeded three million tons. In value, during the decade before the war, they formed, after petroleum products, the main item in exports.

241 No other category of crops compares with grain. Seven fodder crops took barely 5 per cent. of the arable, all other crops, including potatoes, fibres, oilseeds, tobacco and sugar beet, about 8 per cent. Peas, beans and oilseeds were grown in sufficient quantities to provide surpluses for export. Germany established two companies—Solagra in 1934 and Soya A.G. in 1940—which invested large sums in promoting oilseed cultivation. The area 249 under sunflower was raised only slightly, but that under soya rose from nil in 1933 to 103,000 ha. (254,000 acres) in 1939; but the greater part of both crops was located in Bessarabia which Romania lost to the U.S.S.R. in 1940 (see below).

244 Production of potatoes, vegetables and sugar
247 beet was just sufficient for domestic consumption, but the tobacco crop did not quite meet requirements. Tobacco production had fallen from 20,000 tons in the late nineteen-twenties to 11,000 tons in the years just prior to the war.

245 Fruit production was undeveloped and there was little organised marketing and processing. Plums were the main crop, but three-quarters of the output was used for making brandy. Apples and other kinds of fruit, and walnuts, were produced in fair quantities, but exports were insignificant, and, owing to low quality and the lack of standardisation, there was no prospects of development.

241
722 ter, for grain, oilseeds and livestock products to provide the balance of food and fodder requirements which she could not obtain from her own agriculture. The natural grain surpluses and the potential output of sunflower and other oilseeds appeared sufficiently large to provide a solid basis for these expectations. Owing, however, to war-time dislocations of economic life, to the absence of adequate administrative control of farming, to the lack of co-operation by the peasants, and, above all, to a succession of unfavourable seasons, these hopes have been almost entirely falsified.

Firstly, in 1940, Rumania lost Bessarabia, her principal surplus region, to the U.S.S.R., and with it all that year's crops. When she regained it in 1941 she obtained no surplus out of that harvest, and, because of disorganisation, little in 1942. In rump Rumania, in 1940 and 1941, the grain harvests were substantially below the average owing to reduced sowings (partly caused by mobilisation) and to disappointing yields. A determined effort was made by propaganda and the ruthless use of labour to bring sowings back to normal for the 1942 season. But the early onset of an unusually severe winter again reduced the sowings, while a serious drought in the summer of 1942 reduced the yields.

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[243] There was a deficiency in wheat sowings of over a million hectares, while grain yields were barely 60 per cent. of the average. The out-turn of the year was consequently worse than that of the two preceding years. Wheat and rye yielded only 1·3 million tons compared with an average for the territory of 3·6 million tons. The maize crop was a little less than 3 million tons compared with an average of 4·7 million tons. The total grain production was about 5·3 million tons, a quantity inadequate to meet the requirements of food and fodder at any approach to normal levels.

[241] Other crops were more successful in 1942, but they could not appreciably offset the disastrous grain results. The potato crop reached an average level for the first time during the war years, and part of it was used to stretch the deficient wheat for bread making. There was also a good crop of beans and peas, largely because, as their prices were not controlled, they were very remunerative crops. The sunflower crop, though sowings failed to reach the ambitious target and yields were only 60 per cent. of normal, was of record dimensions. Soya, rape and sugar beet declined, however, from earlier levels. (A significant supplementary supply of sugar is now being obtained from Transnistria.)

[243] These for the most part poor crop results, besides curtailing the supplies available for human consumption and exports, also brought about a reduction in livestock numbers at the end of 1942. Livestock numbers may, however, have increased somewhat in 1940 and 1941, for it was reported that peasants held back more grain than usual in those years for livestock feeding. If this is true, numbers would now probably be little different from those of pre-war years.

[241] Crop prospects for 1943 point to a more normal result. The winter of 1942-43 was late and mild, making it possible to sow a near-average acreage of winter crops. Preparatory work for spring sowings was also done in good time, and on the whole the weather subsequently has not been unfavourable.

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249 Tobacco cultivation appears to have declined in the war years, principally because the prices were even more unattractive than those of grain. In 1942 the area sown was reported to be little

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more than half the normal, but the efforts in 1943 to recover to a more average crop may have succeeded.

3. Fish

The general food shortage in Rumania gave a great fillip to the fishing industry. In the 12 months April 1942 to March 1943, some 40,000 tons of fish were caught in State waters besides 13,000 tons in coastal and private waters. This is almost double the largest pre-war catch. During 1942 some 6,000 tons were salted down for winter use. In order to promote and introduce better organisation into the fishing industry a German-Rumanian Company has been established, the "Marea-Neagră," which will devote special attention to developing the Black Sea fisheries.

4. Agricultural Exports

The pre-war level of grain exports was well maintained in 1939; wheat in particular was prominent with over a million tons. The exports of 1940, however, showed an immediate reduction of territorial changes and war shortages. Total grain exports in that year barely reached a million tons compared with the pre-war average of about 1·6 million tons. The following year showed a still sharper decline, wheat reaching only 5,000 tons and maize 120,000 tons. In 1942, despite the recovery of Bessarabia, it is most unlikely that even this level was maintained.

Oilseed exports, despite direct German intervention aiming at an expansion of the crop, also fell below pre-war levels. Sunflower-seed exports, the principal oilseed, fell from an average of 30,000 tons in 1935-38 to 12,000 tons in 1940 and to 5,000 tons in 1941. Exports following the 1942 crop, though probably better, were not at all commensurate with the increased production, for a serious shortage of edible oil and fat had meanwhile developed in Rumania owing to decreased supplies of pig fat and to the retention by the peasants of their seed for consumption at home, or for disposal on the Black Market.

5. Administrative Control

Not even the most complete and efficient system of administrative control could have assured the country's food supplies and exports at normal levels during these three unfavourable years, but it is clear that Rumania's food difficulties have been aggravated by mistakes in economic policy and inadequate control measures. Bureaucratic methods of handling the peasants aroused antagonism and resistance. Supplies of tested seed and other farm requisites were not made available in time. On the collection and supply side, too much power was left in the hands of local prefects. But the most serious shortcoming of the official administration was the failure to establish a price control, and an appropriate relationship between agricultural prices and the cost of the things farmers buy. (In the absence of effective discipline this ratio needs to be strongly in the producers' favour if production and marketing of foodstuffs is to be maintained.) Prices of consumers' goods rose rapidly, owing to shortages, while the Government pegged the prices of farm produce at comparatively low levels. Consequently, the peasants curtailed production and sought better prices by selling much of their produce through Black Market channels. The mistake was officially admitted in the autumn of 1942 when grain prices were more than doubled, but the position still remained unfavourable to

383 [439] The figures of imports in 1938 in metric tons were as follows :—

Motor tyres	869
Motor tubes	64
Rubber footwear	841
Soft rubber (unvulcanised) ..	30
Rubber solutions	27
Miscellaneous	873

4. Synthetic Rubber

It is planned to erect a plant with a capacity of 3,000 tons per annum in co-operation with German interest and using natural gas as the raw material. There is a second plan by independent interests to erect another plant at Ploesti using natural gas or oil as a starting point. Both these projects, however, are as yet in their initial stages and Rumania is, at present, entirely dependent on Germany for supplies of synthetic rubber.

[249] **5. Cultivation of Rubber-bearing Plants**

Rumania has been experimenting with the planting of *Kok Saghyz* or Russian dandelion. During 1940 an area of 180 hectares (450 acres) was planted, which it is estimated will eventually yield between 20 and 30 tons of rubber. It is planned to increase the planted area in 1943, but it will be some time before any results of these measures will help substantially to alleviate the Rumanian supply position.

[439] **6. Present Position (July, 1943)**

Although Rumania has sufficient manufacturing capacity to supply most of her essential needs, she lacks supplies of raw materials. The industry is dependent upon Germany for supplies of synthetic rubber and some of her essential requirements of manufactured goods for her armed forces, such as aircraft tyres and some heavy truck tyres, are also being supplied by Germany.

C. HIDES, SKINS AND LEATHER

(i.) Pre-War Period

1. General

237 Rumania's plentiful supply of livestock places her in a comparatively favourable position for hides, skins and leather and the pre-war slaughterings were approximately as follows :—

	'000 *Head*
Cattle	467
Calves	508
Horses	100
Buffaloes	30
Sheep	1,374
Goats	300
Pigs	790

Of the leather producable from the above animals, cattle, horse and buffalo are the most important, being used to a large extent in the manufacture of sole leather, which is the backbone of the industry.

237 439 Rumania is not entirely self-supporting, although home-production enables her to restrict imports to a minimum. Imports and exports in 1937 were as follows :—

	Imports	*Exports*
	tons	
Hides of cattle (including calf and horse) ..	1,037	Nil.
Other hides and skins (including sheep and pig skins) ..	341	352
Leather (including waste) ..	92	416

[35b]